

# HOUSE BILL No. 4234

February 5, 1997, Introduced by Reps. LaForge, Profit, Gire, Schauer, Kelly, Baird, Schroer, Thomas, Hanley, Prusi, Agee, Scott and Perricone and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1351a (MCL 380.1351a), as amended by 1994 PA  
278.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1351a. (1) Beginning with bonds issued after May 1,  
2 1994, a school district may not borrow money and issue bonds of  
3 the district under section 1351(1). However, a school district  
4 may borrow money and issue bonds of the district to defray all or  
5 a part of the cost of purchasing, erecting, completing, remodel-  
6 ing, or equipping or reequipping, except for equipping or ree-  
7 quipping for technology, school buildings, including library  
8 buildings, structures, athletic fields, playgrounds, or other  
9 facilities, or parts of or additions to those facilities;  
10 furnishing or refurnishing new or remodeled school buildings;

1 acquiring, preparing, developing, or improving sites, or parts of  
2 or additions to sites, for school buildings, including library  
3 buildings, structures, athletic fields, playgrounds, or other  
4 facilities; purchasing school buses; acquiring, installing, or  
5 equipping or reequipping school buildings for technology; refund-  
6 ing all or part of existing bonded indebtedness if the net  
7 present value of the principal and interest to be paid on the  
8 refunding bonds, excluding the cost of issuance, will be less  
9 than the net present value of the principal and interest to be  
10 paid on the bonds being refunded, as calculated using a method  
11 approved by the department of treasury; or accomplishing a combi-  
12 nation of the purposes set forth in this subsection.

13 Section 1351(2) to (4) applies to bonds issued under this  
14 section.

15 (2) The proceeds of bonds issued under this section shall be  
16 used for capital expenditures and to pay costs of bond issuance,  
17 and shall not be used for maintenance costs. A school district  
18 that issues bonds under this section shall have an independent  
19 audit, using generally accepted accounting principles, of its  
20 bonding activities conducted within 120 days after completion of  
21 all projects financed by the proceeds of the bonds and shall  
22 submit the audit report to the department of treasury.

23 (3) Bonds issued under this section for an asset with a  
24 useful life of less than 30 years shall not be issued for a term  
25 that is longer than the useful life of the asset.

1 ~~(4) A school district shall not borrow money and issue~~  
2 ~~notes or bonds under this section to defray all or part of the~~  
3 ~~costs of any of the following:~~

4 ~~(a) Upgrades to operating system or application software.~~

5 ~~(b) Media, including diskettes, compact discs, video tapes,~~  
6 ~~and disks, unless used for the storage of initial operating~~  
7 ~~system software or customized application software included in~~  
8 ~~the definition of technology under this section.~~

9 ~~(c) Training, consulting, maintenance, service contracts,~~  
10 ~~software upgrades, troubleshooting, or software support.~~

11 (4) ~~(5)~~ A resident of a school district has standing to  
12 bring suit against the school district to enforce the provisions  
13 of this section in a court having jurisdiction.

14 (5) ~~(6)~~ As used in this section, "technology" means any of  
15 the following:

16 (a) Hardware and communication devices that transmit,  
17 receive, or compute information for pupil instructional  
18 purposes.

19 (b) ~~The initial purchase of operating~~ OPERATING system  
20 software or customized application software, or both. ~~, accompa=~~  
21 ~~nying the purchase of hardware and communication devices under~~  
22 ~~subdivision (a).~~

23 (c) The costs of design and installation of the hardware,  
24 communication devices, and ~~initial~~ operating system software or  
25 customized application software authorized under this  
26 subsection.